



Natural Resources Conservation Service
675 U.S. Courthouse
801 Broadway
Nashville, Tennessee 37203

July 7, 2004

TENNESSEE BULLETIN NO. 300-04-8

SUBJECT: LTP – FARM BILL 2002 – ADJUSTED GROSS INCOME (AGI) PROVISION
IMPLEMENTATION

Purpose. To provide guidance for implementation of the AGI provision of the 2002 Farm Bill.

Expiration Date: July 1, 2005.

The Commodity Credit Corporation (CCC) published a Final Rule in the Federal Register on June 4, 2003, setting forth the criteria to be applied in determining USDA program benefit eligibility. The Farm Service Agency (FSA) is responsible for making AGI determinations.

Additional information is available in a Fact Sheet entitled “Farm Bill 2002 – ADJUSTED GROSS INCOME PROVISION” dated August 2003 available at <http://www.nrcs.usda.gov/programs/farmbill/2002/pdf/AGIfct.pdf>. Form CCC-526 is utilized to record determinations for eligibility and is available for printing at <http://www.sc.egov.usda.gov/eforms/formsearchservlet>.

For 2002 Farm Bill programs including the Environmental Quality Incentives Program (EQIP) and Grassland Reserve Program (GRP), FSA should be aware of all applicants with their involvement in taking applications and making payments. Therefore, it is assumed that FSA will be making AGI determinations for all applicants for these two programs.

Since NRCS has primary leadership in the Farm and Ranchland Protection Program (FRPP), the Wildlife Habitat Incentives Program (WHIP), and the Wetland Reserve Program (WRP), FSA may or may not be aware of applicants for these programs. Consequently, the following actions should be taken by the District Conservationist at the time of the application for the WHIP, WRP, or FRPP (FRPP signup will be announced annually by a Federal Register notice):

1. Provide a blank copy of the CCC-526 Payment Eligibility Average Adjusted Gross Income Certification to all WHIP, WRP, and FRPP applicants at the time application is received. Offer an explanation as per information available in the Fact Sheet.

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Louis Buck, SED, FSA, Nashville, TN

2. Advise the program participant to complete the self-certification, as appropriate, and provide a copy to the local FSA office (control county).
3. NRCS should verify that the CCC-526 is on file and income provisions of the 2002 Farm Bill are met as a part of the eligibility determination. FSA is responsible for making AGI determinations.

Field staff may obtain copies of the Fact Sheet and the CCC-526 at the web sites listed above. Since the AGI rule became effective in 2003, the CCC-526 should be completed for FY 2003 WHIP and WRP applicants who have been approved for a contract or an easement. Questions may be directed to Donald Dotson, Assistant State Conservationist (Programs), at 615) 277-2567.

/s/

JAMES W. FORD
State Conservationist